

**Q2 2014**

**Supplemental Information**  
Quarter ended June 30

*This Supplemental Information contains forward-looking information within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of certain securities laws including Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. We may make such statements in this report, in other filings with Canadian regulators or the SEC or in other communications. The words “continue”, “expect”, “target”, “believe”, “objective”, “anticipate”, “plan”, “estimate”, “growth”, “increase”, “return”, “expand”, derivatives thereof and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could”, which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking statements. Forward-looking statements in this Supplemental Information include among others, statements with respect to our assets tending to appreciate in value over time, growth in our assets and operations, increases in FFO per unit and resulting capital appreciation, returns on capital and on equity, increasing demand for commodities and global movement of goods, expected capital expenditures, the impact of planned capital projects by customers of our businesses, the extent of our corporate, general and administrative expenses, our ability to close acquisitions, our capacity to take advantage of opportunities in the marketplace, the future prospects of the assets that Brookfield Infrastructure operates or will operate, ability to identify, acquire and integrate new acquisition opportunities, long-term target return on our assets, sustainability of distribution levels, distribution growth and payout ratios, operating results and margins for our business and each operation, future prospects for the markets for our products, Brookfield Infrastructure’s plans for growth through internal growth and capital investments, ability to achieve stated objectives, ability to drive operating efficiencies, return on capital expectations for the business, contract prices and regulated rates for our operations, our expected future maintenance and capital expenditures, ability to deploy capital in accretive investments, impact on the business resulting from our view of future economic conditions, our ability to maintain sufficient financial liquidity, our ability to draw down funds under our bank credit facilities, our ability to secure financing through the issuance of equity or debt, expansions of existing operations, financing plan for operating companies, foreign currency management activities and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although we believe that Brookfield Infrastructure’s anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Brookfield Infrastructure to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information.*

*Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include: general economic and financial conditions in the countries in which we do business which may impact market demand, foreign currency risk, the high level of government regulation affecting our businesses, the outcome and timing of various regulatory, legal and contractual issues, global credit and financial markets, the competitive business environment in the industries in which we operate, the competitive market for acquisitions and other growth opportunities, availability of equity and debt financing, the completion of various large capital projects by customers of our businesses which themselves rely on access to capital and continued favourable commodity prices, weakening of demand in the natural gas market, our ability to complete acquisitions and large capital expansion projects on time and within budget, ability to negotiate favourable take-or-pay contractual terms, traffic volumes on our toll roads, our ability to obtain relevant regulatory approvals required to complete acquisitions, acts of God, weather events, or similar events outside of our control, and other risks and factors detailed from time to time in documents filed by Brookfield Infrastructure with the securities regulators in Canada and the United States, including Brookfield Infrastructure’s most recent Annual Report on Form 20-F under the heading “Risk Factors”.*

*We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Brookfield Infrastructure, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Brookfield Infrastructure undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.*

## CAUTIONARY STATEMENT REGARDING USE OF NON-IFRS, ACCOUNTING MEASURES

*Although our financial results are determined in accordance with International Financial Reporting Standards (IFRS), the basis of presentation throughout much of this report differs from IFRS in that it is organized by business segment and utilizes, funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA and invested capital as important measures. This is reflective of how we manage the business and, in our opinion, enables the reader to better understand our affairs. We provide a reconciliation to the most directly comparable IFRS measure on pages 25-33 of this Supplemental Information. Readers are encouraged to consider both measures in assessing Brookfield Infrastructure’s results.*

## BUSINESS ENVIRONMENT AND RISKS

*Brookfield Infrastructure’s financial results are impacted by various factors, including the performance of each of our operations and various external factors influencing the specific platforms and geographic locations in which we operate; macro-economic factors such as economic growth, changes in currency, inflation and interest rates; regulatory requirements and initiatives; and litigation and claims that arise in the normal course of business. These and other factors are described in Brookfield Infrastructure’s most recent Annual Report on Form 20-F which is available on our website at [www.brookfieldinfrastructure.com](http://www.brookfieldinfrastructure.com) and at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml) and [www.sedar.com](http://www.sedar.com).*

**\$180** million of FFO**\$0.86** per unit FFO**\$0.48** per unit distribution**KEY PERFORMANCE METRICS**

See "Reconciliation of Non-IFRS Measures" on page 25

US\$ MILLIONS, EXCEPT PER UNIT INFORMATION, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Funds from operations (FFO)	\$ 180	\$ 180	\$ 366	\$ 340
Per unit FFO <sup>1</sup>	0.86	0.88	1.74	1.67
Distributions	0.48	0.43	0.96	0.86
Payout ratio <sup>2</sup>	62%	55%	61%	56%
Growth of per unit FFO	(2%)	47%	4%	42%
Adjusted funds from operations (AFFO)	149	149	312	283
Net income <sup>3</sup>	13	132	45	104
Net income per limited partner unit	0.01	0.60	0.11	0.43
AFFO yield <sup>4,5</sup>	13%	13%	13%	13%

**KEY BALANCE SHEET METRICS**

US\$ MILLIONS, UNAUDITED	As of	
	June 30 2014	Dec. 31 2013
Total assets	\$ 16,302	\$ 15,682
Corporate borrowings	375	377
Partnership capital <sup>5</sup>	5,035	5,186

1. Average units outstanding for three and six month period of 210.1 million (2013: 205.7 million and 203.3 million, respectively).

2. Payout ratio is defined as distributions paid (inclusive of GP incentive distributions) divided by FFO.

3. Includes net income attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partner and limited partners.

4. AFFO yield is defined as AFFO divided by time weighted average invested capital.

5. Includes partnership capital attributable to non-controlling interests—Redeemable Partnership Units held by Brookfield, general partner and limited partners.

**PERFORMANCE HIGHLIGHTS**

- FFO of \$180 million was flat as prior year benefited from contribution from assets that were sold as part of capital recycling initiative
  - Year-to-date delivered 12% 'same store' annualized FFO per unit growth
    - Benefited from increase in utilities rate base, inflation indexation and higher volumes predominantly in our transport business
  - Per unit FFO declined by 2% to \$0.86
  - AFFO yield of 13% was in-line with prior year
- Distribution of \$0.48 per unit represents payout ratio of 62%
- Net income of \$13 million versus \$132 million in same period last year
  - Prior year included positive impacts from gains on certain asset sales and hedges
- Total assets marginally ahead of year end primarily as a result of positive foreign exchange movements, capital invested in growth projects and new businesses, partially offset by depreciation

### OPERATIONS

- Added ~\$100 million to our utilities capital backlog and commissioned \$42 million into rate base
- Achieved record connection sales activity at our UK regulated distribution business, with multi-product offerings up over 40%
- Experienced highest level of capacity utilization (~95%) at our Australian regulated terminal in the month of June
- Commenced integration efforts at North American west coast port operations
- Commenced construction of \$35 million quay upgrade at our UK ports business to handle excess volumes

### BUSINESS DEVELOPMENT

- Progressed closing conditions of ~\$450 million of new investments:
  - South American infrastructure logistics business expected to close in Q3'14
  - Chicago and Seattle district energy systems expected to close in August and in Q3'14, respectively
  - Gateway container terminal in NY/NJ expected to close in H2'14
- Signed agreement to acquire natural gas storage business in California expected to close by the end of Q1'15 (our share ~\$40 million)

### FINANCING AND LIQUIDITY

- Continued to make strides to strengthen balance sheet and enhance liquidity
  - Re-affirmed BIP's BBB+ investment grade credit rating with S&P
  - Completed ~\$600 million of debt financings at our Chilean transmission system and Brazilian toll road operations at attractive terms
    - Modest maturity profile for next five years
  - ~80% of FFO (generated in non-LATAM currencies) hedged for next eight quarters
- Total liquidity of \$2.5 billion



## OUR MISSION

- To own and operate a globally diversified portfolio of high quality infrastructure assets that will generate sustainable and growing dividends over the long term for our unitholders

## PERFORMANCE TARGETS AND KEY MEASURES

- Target a 12% to 15% total annual return on invested capital measured over the long term
- Expect to generate returns from in-place cash flows plus growth through investments in upgrades and expansions of our asset base
- AFFO yield is a key performance metric which measures sustainable return on capital deployed
- Growth in FFO per unit is also a key performance metric as it is a proxy for our ability to increase distributions

## BASIS OF PRESENTATION

- Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)
- For each operating platform, this Supplemental Information outlines Brookfield Infrastructure's proportionate share of results in order to demonstrate the impact of key value drivers of each operating platform on the partnership's overall performance

- Objective is to pay a distribution that is sustainable on a long-term basis while retaining sufficient liquidity within operations to fund recurring growth capital expenditures and general corporate requirements
- We believe that a payout of 60-70% of FFO is appropriate
- Targeting 5% to 9% annual distribution growth, in light of expected per unit FFO growth
- Distribution payout is reviewed with the Board of Directors in the first quarter of each year
- The Board of Directors declared a quarterly distribution in the amount of \$0.48, payable on September 30, 2014 to unitholders of record at close of business on August 29, 2014
  - Distribution has grown at a cumulative annual growth rate of over 10% since the spin-off
- Below is a breakdown of distribution history since the spin-off

US\$, UNAUDITED	2008	2009	2010	2011	2012	2013	2014F
Annual Distribution	\$ 0.88*	\$ 1.06	\$ 1.10	\$ 1.32	\$ 1.50	\$ 1.72	\$ 1.92
Growth	—	—	4%	20%	14%	15%	12%

\* 2008 distribution was prorated from spin-off

- Own and operate a diversified portfolio of high-quality, long-life utility, transport and energy assets
- Generate stable cash flows with ~90% of adjusted EBITDA supported by regulated or long-term contracts
- Leverage Brookfield’s best in-class operating platforms to extract additional value from investments

	DESCRIPTION	ASSET TYPE	PRIMARY LOCATION
<b>Utilities</b>	Regulated or contractual businesses which earn a return on their asset base	<ul style="list-style-type: none"> <li>• Regulated Terminal</li> <li>• Electricity Transmission</li> <li>• Regulated Distribution</li> </ul>	<ul style="list-style-type: none"> <li>• Australasia</li> <li>• North &amp; South America</li> <li>• Europe</li> </ul>
<b>Transport</b>	Provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee	<ul style="list-style-type: none"> <li>• Railroad</li> <li>• Toll Roads</li> <li>• Ports</li> </ul>	<ul style="list-style-type: none"> <li>• Australasia</li> <li>• South America</li> <li>• Europe &amp; North America</li> </ul>
<b>Energy</b>	Systems that provide energy transmission, distribution and storage services	<ul style="list-style-type: none"> <li>• Energy Transmission, Distribution &amp; Storage</li> <li>• District Energy</li> </ul>	<ul style="list-style-type: none"> <li>• North America</li> <li>• Europe</li> <li>• Australasia</li> </ul>

The following tables present selected income statement and balance sheet information by operating platform on a proportionate basis:

## STATEMENTS OF OPERATIONS

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Net income by segment				
Utilities	\$ 35	\$ 70	\$ 72	\$ 65
Transport	17	31	50	30
Energy	1	6	10	15
Corporate and other	(40)	25	(87)	(6)
Net income	\$ 13	\$ 132	\$ 45	\$ 104
Adjusted EBITDA by segment				
Utilities	\$ 130	\$ 138	\$ 256	\$ 271
Transport	148	119	292	226
Energy	33	35	77	73
Corporate and other	(29)	(8)	(56)	(18)
Adjusted EBITDA	\$ 282	\$ 284	\$ 569	\$ 552
FFO by segment				
Utilities	\$ 92	\$ 96	\$ 181	\$ 188
Transport	94	83	189	150
Energy	16	18	42	40
Corporate and other	(22)	(17)	(46)	(38)
FFO	\$ 180	\$ 180	\$ 366	\$ 340

## STATEMENTS OF FINANCIAL POSITION

US\$ MILLIONS, UNAUDITED	As of	
	June 30	December 31
	2014	2013
Total assets by segment		
Utilities	\$ 4,940	\$ 4,766
Transport	4,937	4,789
Energy	1,666	1,629
Corporate and other	(150)	(46)
Total assets	\$ 11,393	\$ 11,138
Net debt by segment		
Utilities	\$ 3,081	\$ 2,838
Transport	2,382	2,333
Energy	945	927
Corporate and other	(50)	(146)
Net debt	\$ 6,358	\$ 5,952
Partnership capital by segment		
Utilities	\$ 1,859	\$ 1,928
Transport	2,555	2,456
Energy	721	702
Corporate and other	(100)	100
Partnership capital	\$ 5,035	\$ 5,186

# Brookfield

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## OPERATING PLATFORMS



## PLATFORM OVERVIEW

- Businesses that generate long-term returns on regulated or contractual asset base (rate base)
- Rate base increases with capital that we invest to upgrade and/or expand our systems
- Virtually all of adjusted EBITDA supported by regulated or contractual revenues

## OBJECTIVES

- Invest capital to increase our rate base
- Earn an attractive return on rate base
- Provide safe and reliable service to our customers

## OPERATIONS

- Regulated terminal – one of the world’s largest coal export terminals in Australia, with 85 Mtpa of capacity
- Electricity transmission – approximately 10,500 km of transmission lines in North and South America
- Regulated distribution – approximately 2.1 million electricity and natural gas connections

The following table presents selected key performance metrics of our utilities platform:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Rate base	\$ 4,411	\$ 4,580	\$ 4,411	\$ 4,580
Funds from operations (FFO)	\$ 92	\$ 96	\$ 181	\$ 188
Maintenance capital	(3)	(8)	(5)	(14)
Adjusted funds from operations (AFFO)	\$ 89	\$ 88	\$ 176	\$ 174
Return on rate base <sup>1,2</sup>	10%	11%	10%	11%

1. Return on rate base is adjusted EBITDA divided by time weighted average rate base.

2. Return on rate base excludes impact of connections revenue at our UK regulated distribution business.

- FFO of \$92 million in Q2’14 compared to \$83 million on a comparable basis and \$96 million in total in Q2’13
  - Decrease primarily due to sale of Australasian regulated distribution operation in Q4’13
    - Excluding the impact of sale, FFO increased by \$9 million as the business benefited from higher connections activity at our UK regulated distribution business, inflation indexation, a larger regulated asset base and lower costs resulting from margin improvement programs at a number of operations

The following table presents our utilities platform's proportionate share of financial results:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Revenue	\$ 170	\$ 198	\$ 331	\$ 393
Connection revenue	17	14	32	25
Cost attributable to revenues	(57)	(74)	(107)	(147)
Adjusted EBITDA	130	138	256	271
Interest expense	(40)	(45)	(79)	(88)
Other income	2	3	4	5
Funds from operations (FFO)	92	96	181	188
Depreciation and amortization	(40)	(40)	(79)	(82)
Deferred taxes and other items	(17)	14	(30)	(41)
Net income	\$ 35	\$ 70	\$ 72	\$ 65

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$130 million and \$92 million, respectively, versus \$138 million and \$96 million, respectively, in the prior year
  - Regulated Distribution – Adjusted EBITDA and FFO decreased versus prior year primarily due to sale of our Australasian regulated distribution operation in Q4'13
    - Excluding the impact of the sale, results were ahead of prior year due primarily to improved performance at our UK regulated distribution business that benefited from a higher rate base, inflation indexation and higher connections revenue
  - Regulated Terminal – Adjusted EBITDA decreased versus the prior year primarily due to the impact of foreign exchange
    - In natural currency, Adjusted EBITDA was ahead of prior year, benefitting from additions to rate base
  - Electricity Transmission – Adjusted EBITDA and FFO increased versus prior year due to inflation indexation, commissioning of projects into rate base and lower operating costs, partially offset by impact of foreign exchange

The following table presents our proportionate adjusted EBITDA and FFO for each business in this operating platform:

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013	2014	2013	2014	2013
Regulated Distribution	\$ 51	\$ 60	\$ 98	\$ 113	\$ 40	\$ 46	\$ 76	\$ 86
Regulated Terminal	42	44	84	89	23	23	46	46
Electricity Transmission	37	34	74	69	29	27	59	56
Total	\$ 130	\$ 138	\$ 256	\$ 271	\$ 92	\$ 96	\$ 181	\$ 188

The following tables presents our proportionate share of rate base and capital backlog:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Capital backlog, start of period	\$ 327	\$ 311	\$ 300	\$ 326
Additional capital project mandates	96	86	187	138
Less: capital expenditures	(61)	(74)	(129)	(129)
Foreign exchange and other	1	(6)	5	(18)
Capital backlog, end of period	363	317	363	317
Construction work in progress	74	112	74	112
Total capital to be commissioned	\$ 437	\$ 429	\$ 437	\$ 429

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Rate base, start of period	\$ 4,335	\$ 4,880	\$ 4,242	\$ 4,790
Capital expenditures commissioned	42	41	103	143
Inflation and other indexation	23	25	46	101
Regulatory depreciation	(15)	(20)	(30)	(40)
Foreign exchange	26	(346)	50	(414)
Rate base, end of period	\$ 4,411	\$ 4,580	\$ 4,411	\$ 4,580

## CAPITAL BACKLOG

*Projects that we have been awarded and/or filed with regulators with anticipated commissioning into RAB in the next two to three years*

- Ended period with capital backlog of \$363 million, a \$63 million increase versus December 31, 2013
  - Capital project mandates awarded and positive foreign exchange movements during the period were partially offset by capital expenditures
  - Our UK regulated distribution business, Australian regulated terminal and Chilean transmission system are the largest contributors at \$231 million, \$66 million and \$57 million, respectively
- Construction work in progress was \$74 million at period end
  - \$26 million higher than year end as capital expenditures were ahead of projects commissioned into our rate base mostly at our UK regulated distribution operation
- Ended the quarter with \$437 million of capital to be commissioned into rate base

## PLATFORM OVERVIEW

- Networks that provide transportation for freight, bulk commodities and passengers, for which we are paid an access fee
- Railroad and toll road revenues are subject to regulatory price ceilings, while ports are primarily unregulated

## OBJECTIVES

- Increase throughput of existing assets
- Expand networks in a capital efficient manner to support incremental customer demand
- Provide safe and reliable service for our customers

## OPERATIONS

- Railroad – sole provider of rail service in Southwestern Western Australia with approximately 5,100 kilometres of track
- Toll Roads – Approximately 3,200 kilometres of motorways in Brazil and Chile
- Ports – 30 terminals in North America, UK and across Europe

The following table presents selected key performance metrics for our transport platform:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Growth capital expenditures	\$ 81	\$ 34	\$ 147	\$ 82
Adjusted EBITDA margin <sup>1</sup>	48%	47%	49%	45%
Funds from operations (FFO)	94	83	189	150
Maintenance capital	(18)	(12)	(36)	(26)
Adjusted funds from operations (AFFO)	\$ 76	\$ 71	\$ 153	\$ 124

1. Adjusted EBITDA margin is adjusted EBITDA divided by revenues.

- FFO of \$94 million in Q2'14 compared to \$83 million in Q2'13
  - Primarily driven by contribution from both the additional investment in our Brazilian toll road operation in Q3'13 and the acquisition of our North American west coast port operations in Q1'14
  - Also benefited from improved results at our UK port as economic conditions continue to improve in the region and at our Australian railroad where we benefited from higher volumes from a bumper grain harvest
  - Results were partially offset by interest income at our railroad associated with a stamp tax duty refund that was received in the prior year

The following table presents our transport platform's proportionate share of financial results:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Revenue	\$ 309	\$ 252	\$ 595	\$ 504
Cost attributable to revenues	(161)	(133)	(303)	(278)
Adjusted EBITDA	148	119	292	226
Interest expense	(45)	(38)	(87)	(74)
Other (expense) income	(9)	2	(16)	(2)
Funds from operations (FFO)	94	83	189	150
Depreciation and amortization	(59)	(42)	(120)	(93)
Deferred taxes and other items	(18)	(10)	(19)	(27)
Net income	\$ 17	\$ 31	\$ 50	\$ 30

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$148 million and \$94 million, respectively, versus \$119 million and \$83 million, respectively, in the prior year
  - Railroad – Adjusted EBITDA increased versus prior year due to higher volumes from a bumper grain harvest
    - FFO declined as improved EBITDA more than offset by \$6 million of interest income associated with a stamp duty tax refund that was received in prior year
  - Toll roads – Adjusted EBITDA and FFO increased versus prior year primarily due to additional investment in our Brazilian toll roads completed in Q3'13
    - On a same store basis, toll revenues increased 5% from prior year driven by tariff increases and higher volumes on Chilean roads
  - Ports – Adjusted EBITDA and FFO increased versus prior year due to improved volumes as economic conditions in the region continue to improve as well as contribution from investment in our N.A. west coast port operations
    - FFO also benefited from lower borrowing costs from refinancing at our European operations at end of Q2'13

The following table presents our proportionate adjusted EBITDA and FFO for each business in this operating platform:

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013	2014	2013	2014	2013
Railroad	\$ 67	\$ 66	\$ 132	\$ 123	\$ 47	\$ 52	\$ 96	\$ 94
Toll roads	60	35	120	67	33	20	67	36
Ports	21	18	40	36	14	11	26	20
Total	\$ 148	\$ 119	\$ 292	\$ 226	\$ 94	\$ 83	\$ 189	\$ 150

**CAPITAL BACKLOG**

*Enhancements to our networks over the next two to three years that will expand capacity to support additional volumes, leading to cash flow growth over the long term*

The following tables presents our proportionate share of growth capital backlog:

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2014	December 31, 2013
Growth capital backlog		
Railroad	\$ 98	\$ 108
Toll roads	341	245
Ports	20	20
Total growth capital to be commissioned	\$ 459	\$ 373

- Consists of the following types of projects:
  - Railroad
    - Upgrading the integrity of our network to support incremental volumes by allowing for longer and faster trains to go through our systems
  - Toll roads
    - Increasing the capacity of our roads by increasing and widening lanes on certain routes to support growing traffic
  - Ports
    - Increasing capacity of our terminals by deepening the berths and enhancing and modernizing our existing infrastructure

### PLATFORM OVERVIEW

- Systems that provide energy transportation, storage and distribution services
- Profitability based on the volume and price achieved for the provision of these services
- Businesses are typically unregulated or subject to price ceilings

### OBJECTIVES

- Satisfy customer growth requirements by increasing the utilization of our assets and expanding our capacity in a capital efficient manner
- Provide safe and reliable service to our customers

### OPERATIONS

- Energy Transmission, Distribution & Storage – 15,500 kilometres of transmission pipelines, over 50,000 gas distribution customers and 300 billion cubic feet of natural gas storage in the U.S. and Canada
- District Energy – Heating plants capable of delivering 1,905,000 pounds per hour of steam and 136,800 tons of cooling capacity sourced primarily from deep lake water system

The following table presents selected key performance metrics for our energy platform:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Growth capital expenditures	\$ 11	\$ 4	\$ 22	\$ 7
Adjusted EBITDA margin <sup>1</sup>	46%	49%	47%	47%
Funds from operations (FFO)	16	18	42	40
Maintenance capital	(10)	(11)	(13)	(17)
Adjusted funds from operations (AFFO)	\$ 6	\$ 7	\$ 29	\$ 23

1. Adjusted EBITDA margin is adjusted EBITDA divided by revenues.

- FFO of \$16 million in 2014 compared to \$18 million in 2013
  - Contribution from the acquisition of our U.S. district energy business in Q4'13 was offset by lower transportation volumes at our North American energy transmission business and a warmer winter that affected volumes in our UK energy distribution operations

The following table presents our energy platform's proportionate share of financial results:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Revenue	\$ 72	\$ 72	\$ 163	\$ 155
Cost attributable to revenues	(39)	(37)	(86)	(82)
Adjusted EBITDA	33	35	77	73
Interest expense	(17)	(17)	(35)	(34)
Other income	—	—	—	1
Funds from operations (FFO)	16	18	42	40
Depreciation and amortization	(17)	(17)	(34)	(34)
Deferred taxes and other items	2	5	2	9
Net income	\$ 1	\$ 6	\$ 10	\$ 15

## FINANCIAL RESULTS

- Adjusted EBITDA and FFO were \$33 million and \$16 million, respectively, versus \$35 million and \$18 million, respectively, in the prior year
  - Energy Transmission, Distribution & Storage – Adjusted EBITDA and FFO decreased versus prior year as results were impacted by lower transportation volumes at our North American energy transmission business and mild weather in the UK which negatively impacted volumes at our UK distribution operations
  - District Energy – Adjusted EBITDA and FFO increased from the prior year as a result of the acquisition of our U.S. district energy business in Q4'13

The following table presents our proportionate adjusted EBITDA and FFO for each business in this operating platform:

US\$ MILLIONS, UNAUDITED	Adjusted EBITDA				FFO			
	Three months ended June 30		Six months ended June 30		Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013	2014	2013	2014	2013
Energy Transmission, Distribution & Storage	\$ 30	\$ 33	\$ 71	\$ 68	\$ 14	\$ 17	\$ 38	\$ 37
District Energy	3	2	6	5	2	1	4	3
Total	\$ 33	\$ 35	\$ 77	\$ 73	\$ 16	\$ 18	\$ 42	\$ 40

The following table presents the components of corporate and other on a proportionate basis:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Timber EBITDA	\$ —	\$ 18	\$ —	\$ 36
General and administrative costs	(2)	(2)	(4)	(4)
Base management fee	(27)	(24)	(52)	(50)
Adjusted EBITDA	(29)	(8)	(56)	(18)
Other income	10	—	16	—
Financing costs				
- Timber	—	(6)	—	(12)
- Corporate	(3)	(3)	(6)	(8)
Funds from operations (FFO)	(22)	(17)	(46)	(38)
Deferred taxes and other items	(18)	42	(41)	32
Net (loss) income	\$ (40)	\$ 25	\$ (87)	\$ (6)

## FINANCIAL RESULTS

- General and administrative costs were in-line with prior year
  - Anticipate corporate and administrative costs of \$8 million to \$10 million per year, excluding base management fee
- We pay Brookfield an annual base management fee equal to 1.25% of our market value, plus recourse debt net of cash
  - Base management fee increased versus the prior year due to increase in market capitalization from our higher unit trading price
- Corporate financing costs include interest expense and standby fees on committed credit facility, less interest earned on cash balances
  - Corporate financing costs were flat as corporate borrowings were consistent year over year
- Other income includes interest and distribution income, as well as realized gains earned on corporate financial assets

Our total liquidity was ~\$2.5 billion at June 30, 2014, and was comprised of the following:

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2014	December 31, 2013
Corporate cash and financial assets	\$ 425	\$ 523
Committed corporate credit facility	1,400	1,400
Draws under corporate credit facility	—	—
Commitments under corporate credit facility	(89)	(99)
Proportionate cash retained in businesses	335	330
Proportionate availability under subsidiary credit facilities	437	428
<b>Total liquidity</b>	<b>\$ 2,508</b>	<b>\$ 2,582</b>

- We maintain sufficient liquidity at all times to participate in attractive opportunities as they arise, withstand sudden adverse changes in economic circumstances and maintain a relatively high payout of our FFO to unitholders
- Principal sources of liquidity are cash flows from operations, undrawn credit facilities and access to public and private capital markets
- We may, from time to time, invest in financial assets comprised mainly of liquid equity and debt infrastructure securities in order to earn attractive short-term returns and for strategic purposes

We finance our assets principally at the operating company level with debt that generally has long-term maturities, few restrictive covenants and no recourse to either Brookfield Infrastructure or our other operations.

On a proportionate basis as of June 30, 2014, scheduled principal repayments over the next five years are as follows:

US\$ MILLIONS, UNAUDITED	Average Term (years)	2014	2015	2016	2017	2018	Beyond	Total
<b>Recourse borrowings</b>								
Net corporate borrowings	3	\$ —	\$ —	\$ —	\$ 375	\$ —	\$ —	\$ 375
<b>Total recourse borrowings</b>	3	—	—	—	375	—	—	375
<b>Utilities</b>								
Regulated Distribution	12	—	—	37	16	—	960	1,013
Regulated Terminal	7	—	21	234	—	—	979	1,234
Electricity Transmission	12	6	8	81	64	5	722	886
	10	6	29	352	80	5	2,661	3,133
<b>Transport</b>								
Railroad	9	—	—	20	—	—	1,093	1,113
Toll Roads	9	8	274	13	71	13	658	1,037
Ports	6	15	42	49	10	224	127	467
	7	23	316	82	81	237	1,878	2,617
<b>Energy</b>								
Energy Transmission, Distribution & Storage	7	17	1	—	498	—	388	904
District Energy	20	—	—	22	—	—	67	89
	8	17	1	22	498	—	455	993
<b>Total non-recourse borrowings</b>	10	46	346	456	659	242	4,994	6,743
<b>Total borrowings</b>	10	\$ 46	\$ 346	\$ 456	\$ 1,034	\$ 242	\$ 4,994	\$ 7,118
		1%	5%	6%	15%	3%	70%	100%

The following table presents proportionate net debt by operating platform:

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2014	December 31, 2013
<b>Non-recourse borrowings</b>		
Utilities	\$ 3,133	\$ 2,899
Transport	2,617	2,542
Energy	993	987
Corporate & Other	375	377
<b>Total borrowings</b>	<b>\$ 7,118</b>	<b>\$ 6,805</b>
<b>Cash retained in businesses</b>		
Utilities	\$ 52	\$ 61
Transport	235	209
Energy	48	60
Corporate & Other	425	523
<b>Total cash retained</b>	<b>\$ 760</b>	<b>\$ 853</b>
<b>Net debt</b>		
Utilities	\$ 3,081	\$ 2,838
Transport	2,382	2,333
Energy	945	927
Corporate & Other	(50)	(146)
<b>Total net debt</b>	<b>\$ 6,358</b>	<b>\$ 5,952</b>

- Average cash interest rates for our utilities, transport, energy and corporate platforms were 5.1%, 6.8%, 6.8% and 2.9%, respectively
- Weighted average cash interest rate is 5.9% for the overall business

To the extent that it is economic to do so, we hedge a portion of our equity investments and/or cash flows exposed to foreign currencies. The following principles form the basis of our foreign currency hedging strategy:

- We leverage any natural hedges that may exist within our operations
- We utilize local currency debt financing to the extent possible
- We may utilize derivative contracts to the extent that natural hedges are insufficient

The following table presents our hedged position in foreign currencies as at June 30, 2014:

US\$ MILLIONS, UNAUDITED	Net Investment Hedges								
	USD	AUD	GBP	BRL	CLP	CAD	EUR	COP	
Net equity Investment – US\$	\$ 876	\$ 1,681	\$ 959	\$ 825	\$ 293	\$ 168	\$ 163	\$ 70	
FX contracts – US\$	2,928	(1,542)	(959)	(114)	—	(168)	(145)	—	
Net unhedged – US\$	\$ 3,804	\$ 139	\$ —	\$ 711	\$ 293	\$ —	\$ 18	\$ 70	
% of equity investment hedged	N/A	92%	100%	14%	—%	100%	89%	—%	

- As at June 30, 2014, hedges in place are equal to 70% of net equity in foreign currencies
- We have also implemented an FFO hedging strategy and have hedged approximately 80% of our expected FFO over the next eight quarters that is generated in AUD, GBP, CAD and EUR
- For the three months ended June 30, 2014, 4%, 39% and 29% of our FFO was generated in USD, AUD and GBP, respectively
- Due to our FFO hedging program, 64%, 8% and 6% of our FFO was effectively generated in USD, AUD and GBP, respectively

The following table highlights the sources and uses of cash during the quarter:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Funds from operations (FFO)	\$ 180	\$ 180	\$ 366	\$ 340
Maintenance capital	(31)	(31)	(54)	(57)
Funds available for distribution (AFFO)	149	149	312	283
Distributions paid	(112)	(98)	(224)	(192)
Funds available for reinvestment	37	51	88	91
Growth capital expenditures	(153)	(112)	(298)	(218)
Asset level debt funding of growth capex	140	86	211	135
New investments, net of disposals	—	200	(39)	183
Project level (repayments) draws	(24)	(24)	(51)	266
Repayments on corporate credit facility	—	(324)	—	(546)
Proceeds from equity issuance	—	331	—	331
Changes in working capital and other	(35)	(15)	(4)	(37)
Change in proportionate cash	(35)	193	(93)	205
Opening, proportionate cash	795	222	853	210
Closing, proportionate cash	\$ 760	\$ 415	\$ 760	\$ 415

- Financing plan:
  - We fund recurring growth capital expenditures with cash flow generated by operations, as well as debt financing that is sized to maintain credit profile
  - To fund large scale development projects and acquisitions, we will evaluate a number of capital sources including proceeds from the sale of non-core assets as well as equity and debt financings

The following tables present the components of growth and maintenance capital expenditures by operating platform:

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Growth capital expenditures by segment				
Utilities	\$ 61	\$ 74	\$ 129	\$ 129
Transport	81	34	147	82
Energy	11	4	22	7
Total	\$ 153	\$ 112	\$ 298	\$ 218

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Maintenance capital expenditures by segment				
Utilities	\$ 3	\$ 8	\$ 5	\$ 14
Transport	18	12	36	26
Energy	10	11	13	17
Total	\$ 31	\$ 31	\$ 54	\$ 57

- We estimate annual maintenance capital expenditures of \$15-20 million, \$80-90 million and \$25-35 million for our Utilities, Transport and Energy operations, respectively, for a total range between \$120-145 million

The total number of partnership units outstanding was comprised of the following:

MILLIONS OF PARTNERSHIP UNITS, UNAUDITED	As of	
	June 30, 2014	December 31, 2013
Redeemable partnership unit	58.7	58.7
Limited partnership unit	150.3	150.2
General partnership unit	1.1	1.1
Total partnership units	210.1	210.0

- The general partner may be entitled to incentive distribution rights, as follows:
  - To the extent distributions on partnership units are greater than \$0.305, the general partner is entitled to 15% of incremental distributions above this threshold until distributions reach \$0.33 per unit;
  - To the extent distributions on partnership units are greater than \$0.33, the general partner is entitled to 25% of incremental distributions above this threshold
- Incentive distributions of \$11 million were paid during the quarter versus \$8 million in the prior year as a result of the 12% increase in our distribution on partnership units from 2013

## APPENDIX – RECONCILIATION OF NON-IFRS FINANCIAL MEASURES



## RECONCILIATION OF NET INCOME<sup>1</sup> TO FUNDS FROM OPERATIONS

US\$ MILLIONS, UNAUDITED	Three months ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Net income attributable to partnership <sup>1</sup>	\$ 13	\$ 132	\$ 45	\$ 104
Add back or deduct the following:				
Depreciation and amortization	116	99	233	209
Deferred income taxes	2	57	1	34
Mark-to-market on hedging items	19	(75)	35	(30)
Valuation losses (gains) and other	30	(33)	52	23
FFO	180	180	366	340
Maintenance capital expenditures	(31)	(31)	(54)	(57)
AFFO	\$ 149	\$ 149	\$ 312	\$ 283

1. Includes net income attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners.

## RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

## Brookfield Infrastructure's Share

FOR THE THREE MONTHS ENDED JUNE 30, 2014 US\$ MILLIONS, UNAUDITED	Brookfield Infrastructure's Share					Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials
	Utilities	Transport	Energy	Other	Brookfield Infrastructure			
Revenues	\$ 187	\$ 309	\$ 72	\$ —	\$ 568	\$ (228)	\$ 148	\$ 488
Costs attributed to revenues	(57)	(161)	(39)	—	(257)	117	(75)	(215)
General and administrative costs	—	—	—	(29)	(29)	—	—	(29)
<b>Adjusted EBITDA</b>	<b>130</b>	<b>148</b>	<b>33</b>	<b>(29)</b>	<b>282</b>	<b>(111)</b>	<b>73</b>	
Other income (expense)	2	(9)	—	10	3	5	(2)	6
Interest expense	(40)	(45)	(17)	(3)	(105)	41	(26)	(90)
<b>FFO</b>	<b>92</b>	<b>94</b>	<b>16</b>	<b>(22)</b>	<b>180</b>	<b>(65)</b>	<b>45</b>	
Depreciation and amortization	(40)	(59)	(17)	—	(116)	49	(27)	(94)
Deferred taxes	(9)	3	3	1	(2)	(8)	(6)	(16)
Mark-to-market on hedging items	2	(2)	—	(19)	(19)	(3)	—	(22)
Valuation (losses) gains and other	(10)	(19)	(1)	—	(30)	26	17	13
Share of earnings from associates	—	—	—	—	—	1	—	1
Net income attributable to non- controlling interest	—	—	—	—	—	—	(29)	(29)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	<b>\$ 35</b>	<b>\$ 17</b>	<b>\$ 1</b>	<b>\$ (40)</b>	<b>\$ 13</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 13</b>

1. Includes net income (loss) attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners.

## RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

## Brookfield Infrastructure's Share

FOR THE THREE MONTHS ENDED JUNE 30, 2013 US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non- controlling interest	Discontinued Operations	As per IFRS financials
Revenues	\$ 212	\$ 252	\$ 72	\$ 38	\$ 574	\$ (210)	\$ 136	\$ (38)	\$ 462
Costs attributed to revenues	(74)	(133)	(37)	(20)	(264)	111	(69)	20	(202)
General and administrative costs	—	—	—	(26)	(26)	—	—	—	(26)
<b>Adjusted EBITDA</b>	138	119	35	(8)	284	(99)	67	(18)	
Other income (expense)	3	2	—	—	5	2	(5)	—	2
Interest expense	(45)	(38)	(17)	(9)	(109)	37	(24)	6	(90)
<b>FFO</b>	96	83	18	(17)	180	(60)	38	(12)	
Depreciation and amortization	(40)	(42)	(17)	—	(99)	39	(23)	—	(83)
Deferred taxes	(15)	(11)	3	(34)	(57)	1	—	25	(31)
Mark-to-market on hedging items	37	(1)	3	36	75	—	18	—	93
Valuation (losses) gains and other	(8)	2	(1)	40	33	2	(6)	(22)	7
Share of earnings from associates	—	—	—	—	—	18	—	—	18
Income from discontinued operations, net of tax	—	—	—	—	—	—	—	35	35
Net income attributable to non- controlling interest	—	—	—	—	—	—	(27)	(26)	(53)
<b>Net income attributable to partnership<sup>1</sup></b>	\$ 70	\$ 31	\$ 6	\$ 25	\$ 132	\$ —	\$ —	\$ —	\$ 132

1. Includes net income attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners.

## RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

## Brookfield Infrastructure's Share

FOR THE SIX MONTHS ENDED JUNE 30, 2014 US\$ MILLIONS, UNAUDITED	Utilities	Transport	Energy	Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non- controlling interest	As per IFRS financials
Revenues	\$ 363	\$ 595	\$ 163	\$ —	\$ 1,121	\$ (451)	\$ 298	\$ 968
Costs attributed to revenues	(107)	(303)	(86)	—	(496)	222	(153)	(427)
General and administrative costs	—	—	—	(56)	(56)	—	—	(56)
<b>Adjusted EBITDA</b>	<b>256</b>	<b>292</b>	<b>77</b>	<b>(56)</b>	<b>569</b>	<b>(229)</b>	<b>145</b>	
Other income (expense)	4	(16)	—	16	4	8	(3)	9
Interest expense	(79)	(87)	(35)	(6)	(207)	81	(51)	(177)
<b>FFO</b>	<b>181</b>	<b>189</b>	<b>42</b>	<b>(46)</b>	<b>366</b>	<b>(140)</b>	<b>91</b>	
Depreciation and amortization	(79)	(120)	(34)	—	(233)	100	(52)	(185)
Deferred taxes	(15)	10	(1)	5	(1)	(14)	(7)	(22)
Mark-to-market on hedging items	4	3	—	(42)	(35)	(3)	—	(38)
Valuation (losses) gains and other	(19)	(32)	3	(4)	(52)	44	9	1
Share of earnings from associates	—	—	—	—	—	13	—	13
Net income attributable to non- controlling interest	—	—	—	—	—	—	(41)	(41)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	<b>\$ 72</b>	<b>\$ 50</b>	<b>\$ 10</b>	<b>\$ (87)</b>	<b>\$ 45</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 45</b>

1. Includes net income (loss) attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners

## RECONCILIATION OF PROPORTIONATE OPERATING RESULTS TO CONSOLIDATED OPERATING RESULTS

## Brookfield Infrastructure's Share

 FOR THE SIX MONTHS ENDED JUNE 30, 2013  
 US\$ MILLIONS, UNAUDITED

	Utilities	Transport	Energy	Other	Brookfield Infrastructure	Contribution from investments in associates	Attributable to non-controlling interest	Discontinued Operations	As per IFRS financials
Revenues	\$ 418	\$ 504	\$ 155	\$ 76	\$ 1,153	\$ (428)	\$ 276	\$ (76)	\$ 925
Costs attributed to revenues	(147)	(278)	(82)	(40)	(547)	227	(144)	40	(424)
General and administrative costs	—	—	—	(54)	(54)	—	—	—	(54)
<b>Adjusted EBITDA</b>	271	226	73	(18)	552	(201)	132	(36)	
Other income (expense)	5	(2)	1	—	4	4	(7)	—	1
Interest expense	(88)	(74)	(34)	(20)	(216)	76	(49)	12	(177)
<b>FFO</b>	188	150	40	(38)	340	(121)	76	(24)	
Depreciation and amortization	(82)	(93)	(34)	—	(209)	88	(48)	—	(169)
Deferred taxes	(14)	7	9	(36)	(34)	(4)	7	25	(6)
Mark-to-market on hedging items	(6)	—	3	33	30	(6)	7	—	31
Valuation (losses) gains and other	(21)	(34)	(3)	35	(23)	8	(3)	(16)	(34)
Share of earnings from associates	—	—	—	—	—	35	—	—	35
Income from discontinued operations, net of tax	—	—	—	—	—	—	—	56	56
Net income attributable to non-controlling interest	—	—	—	—	—	—	(39)	(41)	(80)
<b>Net income (loss) attributable to partnership<sup>1</sup></b>	\$ 65	\$ 30	\$ 15	\$ (6)	\$ 104	\$ —	\$ —	\$ —	\$ 104

1. Includes net income (loss) attributable to non-controlling interest – Redeemable Partnership units held by Brookfield, general partner and limited partners

## RECONCILIATION OF PARTNERSHIP CAPITAL TO INVESTED CAPITAL – AS AT JUNE 30, 2014

US\$ MILLIONS, UNAUDITED	Total
Partnership capital	\$ 5,035
Cumulative differences <sup>1</sup>	666
Maintenance capital expenditures	(54)
Non-cash statement of operating results items	321
Accumulated other comprehensive income and other	(1,203)
Invested capital	\$ 4,765
Weighted average invested capital	
– three months ended June 30, 2014	\$ 4,747
– six months ended June 30, 2014	\$ 4,721

## RECONCILIATION OF PARTNERSHIP CAPITAL TO INVESTED CAPITAL – AS AT JUNE 30, 2013

US\$ MILLIONS, UNAUDITED	Total
Partnership capital	\$ 5,055
Cumulative differences <sup>1</sup>	56
Maintenance capital expenditures	(57)
Non-cash statement of operating results items	236
Accumulated other comprehensive income and other	(691)
Invested capital	\$ 4,599
Weighted average invested capital	
– three months ended June 30, 2013	\$ 4,408
– six months ended June 30, 2013	\$ 4,387

1. Cumulative differences are comprised of total cumulative maintenance capital expenditures, non-cash statement of operating results items and other adjustments since capital was invested.

## RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS AT JUNE 30, 2014

US\$ MILLIONS, UNAUDITED	Total Attributable to Brookfield Infrastructure					Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials <sup>1</sup>
	Utilities	Transport	Energy	Other	Brookfield Infrastructure				
<b>Total assets</b>	\$4,940	\$4,937	\$1,666	\$(150)	\$11,393	\$(2,080)	\$4,250	\$2,739	\$16,302

## RECONCILIATION OF PROPORTIONATE ASSETS TO CONSOLIDATED ASSETS – AS AT DECEMBER 31, 2013

US\$ MILLIONS, UNAUDITED	Total Attributable to Brookfield Infrastructure					Contribution from investment in associates	Attributable to non-controlling interest	Working capital adjustment	As per IFRS financials <sup>1</sup>
	Utilities	Transport	Energy	Corporate & Other	Brookfield Infrastructure				
<b>Total assets</b>	\$4,766	\$4,789	\$1,629	\$(46)	\$11,138	\$(2,156)	\$3,899	\$2,801	\$15,682

1. The above tables provide each segment's assets in the format that management organizes its segments to make operating decisions and assess performance. Each segment is presented on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations using consolidation and the equity method whereby the Partnership either controls or exercises significant influence over the investment respectively. The above table reconciles Brookfield Infrastructure's proportionate assets to total assets presented on the Partnership's consolidated statements of financial position by removing net liabilities contained within investments in associates, reflecting the assets attributable to non-controlling interests, and adjusting for working capital assets which are netted against working capital liabilities.

## RECONCILIATION OF CONSOLIDATED DEBT TO PROPORTIONATE DEBT

US\$ MILLIONS, UNAUDITED	As of	
	June 30, 2014	December 31, 2013
Consolidated debt	\$ 6,440	\$ 6,167
Less: borrowings attributable to non-controlling interest	(1,769)	(1,675)
Premium on debt and cross currency swaps	38	(67)
Add: proportionate share of borrowings of investment in associates		
Utilities	703	716
Transport	934	885
Energy	772	779
Proportionate debt	\$ 7,118	\$ 6,805

- **Funds from operations (FFO), adjusted funds from operations (AFFO), adjusted EBITDA, invested capital** and their per share equivalents, where applicable, are non-IFRS measures which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies
  - FFO, AFFO and invested capital are reconciled to Net Income and Partnership capital, respectively, the closest measures determined under IFRS on pages 26 and 31, respectively
- **FFO** is defined as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash valuation gains or losses, and other items
  - Brookfield Infrastructure uses FFO to assess its operating results
- **Adjusted EBITDA** is defined as FFO excluding the impact of interest expense, and other income or expenses
  - Brookfield Infrastructure uses Adjusted EBITDA as a measure of operating performance
- **AFFO** is a measure of our sustainable cash flow and is calculated as FFO less maintenance capital expenditures
  - In order to assess our performance as stewards of capital, we also focus on AFFO yield, which is a proxy for our returns on invested capital
- **Invested capital** is meant to track the initial investment that we make in a business plus all cash flow that we re-invest in the business